_._ DESIGN CONTRACT FOR FIRE STATION RETROFITS
Authorization of City Manager to Execute an Agreement with Noll & Tam for an Amount not to Exceed $975,000 for Design of Seismic and Remodeling Improvements to Fire Stations 1, 3, 4, 5, 7, 9, and 10.

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Executive Summary: The Fire Safety Bond measure, passed by voters in November 2002, includes seismic and remodeling improvements to Fire Stations #1, 3, 4, 5, 7, 9, and 10. Staff proposes to engage the design team that prepared the detailed study of seismic and remodeling needs for the City's fire stations. The City selected this firm, Noll & Tam, through a competitive Request for Qualifications process in July 2000, and the qualifications used as the basis for the firm's initial selection apply to final design of the improvements. Staff has negotiated a contract in the amount of $975,000 that covers design development, construction documents, bidding assistance and construction administration support. The contract also includes cost estimation throughout the design, and includes a no-fee redesign provision whereby the consultant can be required to redesign one or more of the projects if the lowest responsive construction bid for that project exceeds the budget. An alternative to proceeding with Noll & Tam on the work is to go out for another solicitation of qualifications.

BACKGROUND: The City engaged Noll & Tam in July 2000 to evaluate the scope of work required to bring all fire stations up to building code and update the older buildings. The City's selection of Noll & Tam for this work resulted from a competitive process. The City issued a Request for Qualifications (RFQ) to 75 architectural and engineering firms to provide structural engineering and architectural services for remodeling and seismic evaluation of the City's ten fire stations. An evaluation study of this sort typically precedes design work for a complex renovation project where the scope of work is not well defined. The City received ten submissions of qualifications in response to its RFQ. An interdepartmental selection committee evaluated the submissions on the following criteria:

- Professional license
- Experience in seismic evaluation and retrofit of essential services buildings
- Experience with governmental buildings and working with the City of Fremont's building review process
- Experience working with citizen's committees and public agency commissions and staffs effectively
- Organizational capability to manage and meet client requirements and schedules
- Financial capability and acceptance of City's insurance and indemnity requirement

Based on interviews and additional due diligence on five final candidates, the committee selected Noll & Tam, and the City awarded the $108,000 evaluation contract to Noll & Tam at the July 11, 2000 City Council meeting.

The retrofit and seismic improvements studied by Noll & Tam ultimately became part of the $51 million Fire Safety Bond measure. On June 11, 2002, the City Council approved the following projects in the Fire Safety Bond measure: replace three fire stations with new modern stations, build a public safety training center, and make remodeling and seismic improvements to seven existing fire stations. The improvements will bring all fire stations up to the current essential service facility standard, meaning that they are designed to operate during and after a major earthquake. The Fire Safety Bond measure became Measure R in the November 2002 elections, and the measure passed with 74.4% of the voters.

Discussion: With the passage of Measure R, staff requested Noll & Tam to make a proposal to carryout the recommendations of its evaluation study. The complete Noll & Tam team is as follows:

Prime consultant /Lead Architect	Noll & Tam Architects
Structural Engineering	Forell / Elsesser
Civil Engineering	Baseline Engineers
Mechanical Engineering	Taylor Engineering
Plumbing	SJ Engineers
Electrical	Zeiger Engineers
Landscape Architect	David Gates
Cost Estimator	URS Construction Services

The Noll & Tam team is well qualified to undertake the design development phase of the work and to work with the City to get the projects out to bid as soon as possible and keep costs contained. The Noll & Tam team has completed several seismic upgrade and renovation projects for public agency clients, including the City's Family Resources Center, Oakland Zoo projects, University of California projects, and several public libraries. Looking at the firm's completed projects over the past five years (16 projects altogether), the firm has managed to keep construction contract awards an average of 1.5% below the client's construction budget. Through thorough designs, the firm has also kept construction change-orders down. Looking at these same projects, the firm kept change-orders related to the drawings (as opposed to client-initiated changes) to an average of 2% of the construction contract, which is an impressive rate by industry standards (typically 3-4% of construction contract). The architect team focuses on renovation of public buildings, and being a fifteen-person firm, it is characterized by principal involvement, teamwork, and responsiveness.

A notable subconsultant of the Noll & Tam team is the structural engineering firm Forell/Elsesser. A goal of the retrofit projects is to make fire stations essential service facilities, meaning that the buildings are designed to be functional before, during, and after a sizable earthquake. Forell/Elsesser is a leading firm in this area of design, having worked on both fire stations and essential services facilities. Forell/Elsesser has been the consulting structural engineer on a large body of work that covers fire stations for Daly City, San Mateo, Moraga, Santa Rosa, Rohnert Park, Mill Valley, Santa Cruz, Burlingame, San Francisco Airport, and Forestville. Essential service facility projects include San Francisco Airport's rapid transit system, San Francisco State Office Building, San Francisco Airport Fire Station, Mill-Peninsula Hospitals, Health Services Building (UC Berkeley), Pasadena Police

Building and Jail, Caltrans Traffic Operations/CHP Communications Center, San Francisco 911 Emergency Communications Center, PG&E Market Street complex, and the San Francisco Asian Art Museum.

Working with input from staff, Noll & Tam has proposed an approach to the fire station retrofit projects that is very sensitive to the need to stay within an established budget derived from the Fire Safety Bond and to have two stations out to bid in 2004. Their approach is organized into three separate projects that would go through the same phases of development. The three projects are: (1) the 1990s fire stations (#4,5,9,10), (2) fire station #7, and (3) fire stations #1 and 3. The phases of development for each of these projects is described below:

Phase	***Description***	***Timeframe for each Fire Station***
Schematic Design with cost estimates	Confirmation of the program of improvements within the budget established by the Fire Bond measure. Cost estimates will be developed at end of phase.	#4,5,7,9,10: Jun – Sep 2003 #1,3: Jun – Sep 2004
Design Development	Improvements are designed with input from City's technical review process.	#4,5,9,10: N/A #7: Oct – Feb 2004 #1,3: Sep – Mar 2005
Construction documents with independent cost estimate / constructability review	Designs are turned into construction documents, with cost estimates updated at the 60% and 95% complete phase. At the 95% complete phase, the City engages an independent entity to review the designs from a constructability and cost standpoint.	#4,5,9,10: Oct – Jun 2004 #7: Feb – Nov 2004 #1,3: Apr – Dec 2005
Bidding assistance with no-fee redesign provision	If bids exceed final construction budget by 10%, City can invoke a no-fee redesign provision.	#4,5,9,10: Jul – Aug 2004 #7: Nov – Dec 2004 #1,3: Apr – May 2006
Construction administration	Noll & Tam attends on-site meetings per project to coordinate drawings with construction. Noll & Tam handles all Requests for Information and drawing clarifications.	#4,5,9,10: Sep 04 – Nov 06 #7: Feb 05 – Feb 06 #1,3: Jul 06 – Mar 08

The total not-to-exceed fee for the above scope of work is $975,000, which is broken down by each phase of each project. The total construction cost estimate for the retrofit projects is $9.8 million, and the not-to-exceed fee represents approximately 10% of the estimated total construction cost, which is at the low end of industry standards for seismic and renovation work (seismic and remodeling projects generally require more complex architectural and engineering services to work with existing conditions than new construction and design fees typically total 10-15% of the total construction cost). Each phase of work is contingent on successful completion of the previous phase of work and the City's authorization to proceed. The fixed fee is renegotiable only if the scope of improvements as determined at the end of the schematic design phase is significantly more or less than anticipated in the evaluation study. The fixed fee is not renegotiable on basis of delays to the project, unless the delay amounts to six months or more of inactivity.

One consideration with the selection of the Noll & Tam team is their ability to accelerate the design process and enable the City to get the retrofit projects out to bid sooner than if the City were to engage a new design team. Through its seismic and remodeling study of the fire stations, the firm possesses in-depth knowledge of the building and site conditions, the station specific seismic calculations performed in the study phase, and strategies for managing a design project within the framework of Fremont's building process. Between the time it takes to complete a Request for Qualifications process and a period of time to allow a new firm to confirm background conditions and previous studies, the selection of a different design firm would add an estimated 6 months to the project and potentially increase the design fee. It is unknown what 6 months would mean in terms of the public bidding environment, but staff understands that the current public bidding environment is favorable, and staff would like to get some projects out to bid in this environment. If construction costs were to increase by 5% per year, which was the budget for inflation for the Fire Bond projects, then a six-month delay in construction starts would cost the City over $230,000 over the course of the entire scope of work.

Alternative: The alternative to awarding the design contract to the Noll & Tam team is to issue a new Request for Qualifications (RFQ) for the scope of work. Staff would widely distribute the RFQ, and the process would allow staff to compare the qualifications of Noll & Tam to other design teams. While this process would inject competitiveness into the selection process, it would not necessarily result in a lower not-to-exceed design fee. Nor would an open RFQ process necessarily generate the maximum amount of interest in the project from architectural and engineering firms. Other firms could be discouraged by the fact that Noll & Tam already completed the evaluation study to the satisfaction of the client and possesses in-depth knowledge about the project.

State Law requires that the selection of architectural and engineering services be based primarily on professional qualifications, as opposed to the cost based "lowest responsible bidder" evaluation used for construction work. Unlike construction work, where the City's selection is based on the lowest monetary bid (unless the bidder fails to meet the minimum requirements for experience, or the bidder submits flawed bid documents); for professional services, the City's selection is based on qualifications (unless the proposing professional fails to negotiate a fair and reasonable price).

Other opportunities for design work on Fire Safety Bond projects: The City will use a Request For Qualifications process to seek design and engineering services for the development of three replacement fire stations (#2,6,8) and the training center. Together these projects have an estimated construction budget (with contingencies and inflation) of approximately $23.5 million, which means that there is significant amount of design work that will be awarded through new competitive processes. Noll & Tam has stated that the large amount of work associated with retrofitting seven fire stations would preclude them from competing for new design contracts associated with the Fire Safety Bond.

Funding for design contract: On March 25, 2003, the City Council adopted a resolution indicating its intent to reimburse itself from the Measure R bond proceeds for expenditures incurred and paid prior to the issuance of the Measure R bonds. Funding and overall project authorization for the Fire Safety Bond projects will be included in the 2003-2004 Capital Improvement Program, which will be presented at a public hearing on June 3, 2003, and considered for adoption on June 24, 2003. The project costs incurred as a result of the Noll & Tam contract would be reimbursable from the Measure R Bond proceeds, expected to be received in July.

ENCLOSURES: Station location map.

RECOMMENDATION: Authorize City Manager to enter into a contract with Noll & Tam Architects for an amount not to exceed $975,000 for design of seismic and remodeling improvements to Fire Stations 1, 3, 4, 5, 7, 9, and 10.